THE SECOND SCREEN AND TELEVISION

Overview and growth perspectives
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Executive Summary

It is no hidden fact that television is evolving. The increasing number of screens has significantly influenced user behaviour. More and more people are heading toward a multi-screen universe. Most Canadians own a laptop, 37% use smartphones¹ and 18% own a digital tablet².

With all these options, it is of no surprise that one out of two Canadians has made it a habit to browse the Web on and off while watching TV (apparently, 19% of Canadians invariably have a connected device at hand while watching TV)³.

As previously mentioned, TV consumer habits are influenced by the proliferation of screens. The rise of simultaneous media practices among users—with more and more converts everyday—is one of the changes brought on by the phenomena. The second screen is an integral part of the televisual experience of a growing population of viewers. Viewers own more and more devices, which are used to perform various tasks simultaneously, whether they be related or not.

Social TV, program-related interaction using social media, is without a doubt the most popular way to use the second screen. Although it harnesses new technologies to connect TV to the Web, which, in itself, is innovative, the popularity of this trend comes as no surprise. TV has always provided rich ground for conversation. Social TV is TV’s natural evolution in this Web-based world.

For over a decade, producers have been looking for the most effective ways to marry TV to the Web. CMF sees in the increasing popularity of the second screen a truly interesting opportunity of convergence between TV content and digital platforms. The second screen and social TV have become interesting topics to explore for both TV content creators and mobile or Web developers. Although this phenomenon is still in its most nascent phases, there is a critical mass of people already integrating multitasking into their TV viewing experience, which will help further popularize the second screen and social TV.

INTRODUCTION

APPROACH

This white paper is the first installment in the three-part series on the second screen and social TV phenomenon. We've decided to roll out the series in three parts so that our readers could easily take in the information and so that our research team could respond better to the topic.

In fact, since the parameters of this new ecosystem evolve quickly, a three-part release enables researchers to take into account any changes that may occur along the way and thus render a fair portrait of the phenomenon. Ultimately, these three documents are integral parts of a complete corpus on the use of the second screen in television.

The study's approach is more descriptive than prescriptive. The goal is not to dictate which way to go, but rather to highlight new TV consumer practices along with the new avenues such changes open to in terms of creating convergent content.

CMF FMC

The Canada Media Fund (CMF) champions the creation and promotion of successful, innovative Canadian content and software applications for current and emerging digital platforms through financial support and industry research. Created by Canada’s cable and satellite distributors and the Government of Canada, the CMF aspires to connect Canadians to our creative expressions, to each other, and to the world.
a) New TV experiences: description and particularities

**MULTITASKING**

Multitasking while watching TV isn’t anything new. For many viewers, consulting a TV guide, talking on the phone or in person with friends and family is an integral part of the TV ritual.

Currently, the **250-odd million people in Generation Always-On**, (which encompasses youth born between 1982 and 1995) across the globe have made it common practice to use a personal connected module—which we will call henceforth PCD or Personal Connected Device—to have fun, get information and share opinions. **They spend over 50 hours per week with digital media.** For broadcasters, advertisers and producers, it is now crucial to align their content with the consumer habits of this generation.

Multitasking, which means doing more than one thing at once, consist, in this context, in watching TV content all the while doing something else on a second screen. Viewers who multitask have their attention both on the TV (the first screen) and complementary or derivative content (with which they are interacting on the second screen).

In other words, multitasking makes watching TV dynamic and collective, whereas it had often been deemed passive and solitary. Along with entertaining and informing themselves through TV content, multitasking viewers can also bookmark and organize their favourite shows, look up complementary information or even carry out transactions related to a product or service seen on television, the main and second screens.

**MAIN SCREEN AND SECOND SCREENS**

<table>
<thead>
<tr>
<th>FIRST SCREEN (MAIN SCREEN)</th>
<th>TV SET</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECOND SCREEN (SECONDARY SCREEN)</td>
<td>SMART-PHONES</td>
</tr>
</tbody>
</table>

The fact that PDCs in households, i.e. smartphones, tablets and laptops, are doubling and tripling in numbers has a sure impact on the use of the second screen during TV viewing.

Second screens, also called companion screens, now connect viewers to complementary content while they watch TV via applications, derivative content and features that are synchronized with TV series, game shows, and live sporting competitions and events.
SECOND-SCREEN ACTIVITY

There are many reasons to get hooked on second-screen activities. According to a behaviour survey conducted by Pew Internet & American Life Project from a sample of 904 American smartphone owners aged 18 years and up,

- 58% used their phone to keep themselves occupied while watching TV and/or during commercials
- 37% used their phone to check whether something they heard on television was true or not
- 35% used their phone to visit a Web site mentioned on TV
- 32% used their phone to exchange text messages about the shows they were watching
- 20% used their phone to see what others were saying online about the show
- 19% used their phone to post their own comments online
- 9% voted for a reality show contestant

SOCIAL TV

Currently, social TV, i.e. the use of social networks (in a synchronous or asynchronous manner) to rate, recommend or discuss shows—during or after initial airing—, is the second screen’s main use in terms of TV viewing.

With over 500 million registered users, Twitter, the 4th biggest virtual community, is king of social TV. In fact, 85% of all social comments about shows aired on American general-interest channels and 64% of all comments pertaining to shows on cable are tweets—far ahead of Facebook (7%)—according to the Tendrr firm.

This accessible microblogging platform aims to strengthen its position as leader in this sector by inviting right holders to use it—more and more right holders are making applications dedicated to specific content and are connecting them to Twitter to increase brand loyalty.

As for the buzz surrounding TV content, according to Twitter, the vast majority of the conversation around the show happens during the initial airing; anticipatory tweets appear 15 to 30 minutes before airing, and users start sending out buzz tweets 15 to 30 minutes after airing (reactions).
SECOND-SCREEN APPS

Second-screen apps are developed to enable viewers to interact (comment, recommend, discuss, play games, access background information, make purchases, create custom TV guides) before, during and after the airing of a program using a smartphone, digital tablet or laptop.

Second-screen apps enhance the viewing experience by giving viewers access to information, resources and services complementary to the show being watched and inviting them to react and share their thoughts, discoveries and recommendations with other viewers.

This way, instead of distracting viewers from their favourite show, the most effective second-screen apps have the potential to increase their attention and satisfaction as they watch TV. Viewers are therefore more loyal toward a show or broadcaster. As such, they are more attentive to content and more receptive to advertising.

According to Jack Wakshlag, chief research officer at Turner Broadcasting:
“When they [viewers] find something engaging on the TV, they pay attention. When their interest wanes, in the absence of a second screen they could change the channel, get up, read a magazine, etc. With a second screen that allows live social engagement, they have more reason to stay on-channel with their friend.”
b) Viewing demographics by activity

The following table presents an overview of new TV experiences. As of yet, there aren't any market penetration figures for second-screen apps that are not related to social TV.

TELEVISION AND THE SECOND SCREEN: VIEWING DEMOGRAPHICS BY ACTIVITY

Viewers

Multitasking Viewers
77% of American viewers regularly use a second screen while watching TV. (1)

Social TV
Over a third of second-screen users comment on what they see on TV. This percent reaches 53% for the 16-24 age group. (2)

Second-screen apps
An unknown number of viewers use these apps.

(1) Google “The new multi-screen world” 2012
(2) Futurescope “The Social TV Factor” 2012. The figures mentioned come from an Ovum study based on 8 000 respondents across 8 countries
a) Typical second-screen multitaskers

Unsurprisingly, youth are more inclined to engage in simultaneous media consumption—using a smartphone while watching TV is a practice most popular among people in the 18-34 age group.

That being said, there are multitaskers in all age groups. For example, almost half of 45-55 year olds are performing multiple tasks—complementary to their viewing experience or not—while watching TV.

Both men and women are multitaskers: a recent survey conducted by the Pew Research Center revealed that over half of American smartphone owners used their phones while watching TV over a 30-day period.

The survey also showed that the likelihood to multitask increases according to family income and education level. 60% of respondents earning $50 000 a year said they used a second screen. University graduates, 55% of which are second-screen users, represent the group more inclined to multitask.

The more screens a person has, the more he/she will be drawn to use one or more while watching TV. The probability that a viewer will use social media while watching TV doubles if he/she has a tablet, a laptop and a smartphone, as opposed to if he/she only had a laptop.

Men and women are equal participants in this trend. In July 2012, after analysing multitasking Canadian viewers, Seevibes came to the conclusion that no sex was more of an avid second-screen user that the other.
b) Contexts of use

**DEVICES**

The growing popularity of digital tablets, upheld by the recent launch of Apple’s third generation iPad, Google’s Nexus 7, Amazon’s Kindle Fire and Microsoft Surface, should boost the number of second-screen users along with usage frequency.

According to the Media Technology Monitor (MTM), *10% of French-Canadian households will own a digital tablet* by the end of 2012, which is far less than Anglophones (21%).

However, a Seevibes-conducted survey in Quebec—as did other studies on the topic—revealed that the smartphone remains the PCD most used for second-screen activity, and this for men and women alike.

**NON-PROGRAM-RELATED ACTIVITIES**

Viewers tend to prefer using second-screen apps while watching a show to comment, rate or recommend the aforementioned content. However, some second-screen apps are used even more so outside of viewing, be it before or after a show is aired, at work, during downtimes or when commuting.

The main non-program-related second-screen activities are used for:

- Organizing personal TV consumption using, for example, a personal digital recorder (PDR)
- Creating a queue for on-demand content through services like Netflix or Hulu
- Consulting electronic program guides (EPG)
- Discussing an upcoming show or one that is already on TV using social media.

Using a second screen before, after or while a show airs contributes to disseminating of a concept, brand, content, ads, and derivative products and content.
2. MODELS AND TERMS OF USE

PROMPTS (CALL TO ACTION)

Some broadcasters entice viewers to use a second screen while a show is airing. For example, the host of a live show can encourage viewer engagement, or perhaps a Facebook or Twitter logo can appear on the main screen inviting viewers to follow them on these platforms to get feeds regarding the current show.

After one or more of these prompts appear on the main screen, one out of three American viewers claims to have used a PCD to engage in second-screen activity.

SECOND-SCREEN ACTIVITY AFTER SEEING A SOCIAL MEDIA SYMBOL ON THEIR TV SCREEN (%)  
(Source: Accenture, “Social Media on TV survey”, survey of 1,000 American consumers, aged 18 and up)

| All social media symbols | 33% |
| Facebook “Like” symbol | 20% |
| A Web page (URL) | 18% |
| QR codes | 11% |
| Twitter Hashtags | 7% |
| Shazam symbols | 5% |

TABLE: © Evolumedia Group 2012

TYPES OF SHOWS VIEWERS ARE INTERESTED IN INTERACTING WITH USING THE SECOND SCREEN

PERCENTAGE OF TV VIEWERS BY GENRE THAT USED A SECOND SCREEN DEVICE WHILE VIEWING IN THE UNITED STATES (AVERAGE WEEKLY REACH)  
(Source: Media Behavior Institute, citant USA Touchpoint – July 2012)

| Sports events | 21% |
| Drama | 20% |
| News | 20% |
| Movies | 19% |
| Reality TV | 18% |
| Children’s shows | 18% |
| Talk-shows | 17% |
| Instruction/Advice | 16% |
| Sitcoms | 15% |
| Sports News/Talk | 15% |
| Documentaries | 13% |
| Game shows | 10% |

TABLE: © Evolumedia Group 2012

We’d have to add to this list big televised events like the Oscars, the Grammys or the Olympic Games, which generate a plethora of mentions from viewers using a PCD, beating participation records.

Seevibes published a top 10 list of the most mentioned events on Twitter—5 of them were sporting events, which confirms the fact that sports fans have an interest in second-screen activities.
3. TOOLS AND FUNCTIONALITIES

a) Technologies and leading brands

Second-screen apps are categorized into eight main types of functionalities:

- **Socializing**
  (Philo, SnappyTV, Tunerfish, Yap.TV)

- **Loyalty**
  (GetGlue, Viggle)

- **Recommendation**
  (Peel, Fanhattan, TapCast, Buddy.TV, TVplus, Matcha)

- **Transaction**
  (Watch with eBay, Cablevision Optimum iO TV)

- **Information**
  (IMDb, Wikipedia, M-Go, CNN, ESPN SC XL)

- **Program guides**
  (TVGuide, Rovi, Zap2it, NextGuide)

- **Participation**
  (Yahoo! Broadcast Interactivity, Showtime Interactive, Yap)

- **Creation**
  (Miso – derivative contents created by users)

Second-screen apps can also be categorized according to the player in the TV value chain that prompted their creation:

- **Shows**
  (New Girl, Canada’s Got Talent App)

- **Broadcasters**
  (HBO Go, USA Anywhere, BravoNow, CTV Social App)

- **Cable companies**
  (AT&T U-Verse Mobile, Comcast Xfinity)

- **Media consortia**
  (BBC iPlayer, France Télévisions)

- **OTT video-on-demand services**
  (Hulu, Amazon Instant Video)

- **Universal apps**
  (ConneectV, Zeebox, Umami, viEWe)
3. TOOLS AND FUNCTIONALITIES

b) Second-screen statistics

Excluding Facebook, Twitter and the music-recognition app Shazam (250 million users as of September 2012), the most used second-screen apps in 2012 are:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Logo</th>
<th>Name</th>
<th>Function</th>
<th>Territory</th>
<th>Number of users</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><img src="image" alt="Y!" /></td>
<td>YAHOO! INTO NOW</td>
<td>Automatic audio recognition of shows currently running or reruns</td>
<td>The United States</td>
<td>3 million</td>
</tr>
<tr>
<td>2</td>
<td><img src="image" alt="G" /></td>
<td>GETGLUE</td>
<td>Rewards viewers with badges</td>
<td>The United States and Canada</td>
<td>3 million</td>
</tr>
<tr>
<td>3</td>
<td><img src="image" alt="Z" /></td>
<td>ZEEBOX</td>
<td>Customized program guide including metadata and show listings—shows are ranked according to buzz meter</td>
<td>Great Britain and the United States (fall 2012)</td>
<td>1 million users in Great Britain—forecasted to increase by 6 million after its American release</td>
</tr>
<tr>
<td>4</td>
<td><img src="image" alt="V" /></td>
<td>VIGGLE</td>
<td>Premier viewer-reward app, which grants users points they can exchange for products</td>
<td>The United States</td>
<td>1 million</td>
</tr>
<tr>
<td>5</td>
<td><img src="image" alt="M" /></td>
<td>MISO</td>
<td>Complementary user-generated TV content</td>
<td>The United States</td>
<td>300 000</td>
</tr>
</tbody>
</table>

The Time Warner Research Council used biometric monitoring and eye tracking to measure viewer engagement. The data collected revealed that viewer engagement while connecting with a friend over social media was 1.3 times higher than that of viewers watching alone and not using social media. Also, viewer engagement among those using a second-screen app is 1.2 times higher than among those viewing without a social app.
### 3. TOOLS AND FUNCTIONALITIES

c) Categories of the main simultaneous second-screen platforms

<table>
<thead>
<tr>
<th>Categories</th>
<th>Definition and examples</th>
<th>Pros and Cons for RIGHT HOLDERS</th>
<th>DISADVANTAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generic, non-dedicated</strong></td>
<td>All social platforms enabling social sharing e.g.: TWITTER</td>
<td>• A lot of interaction</td>
<td>• You can neither moderate nor control the conversation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Impressions are gathered</td>
<td>• There may be unwanted mentions in the conversation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Brand promotion</td>
<td>• To take part in the conversation, users must have an account on the social network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Easy to access</td>
<td>• Many similar hashtags could be out there dividing the conversation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Simple to promote</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Affordable</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Generic with a dedicated microsite</strong></td>
<td>Dedicated page on a social network. Often created by a right holder e.g.: FACEBOOK, PINTEREST</td>
<td>• Added content and activity</td>
<td>• To take part in the conversation, users must have an account on the social network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Access to user information</td>
<td>• There could be ads unrelated to the sponsors or advertisers of the televised production</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Moderation is enabled</td>
<td>• Pages created by fans could potentially divide the conversation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Simple to promote</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Affordable</td>
<td></td>
</tr>
<tr>
<td><strong>Generic, dedicated to social TV</strong></td>
<td>Apps dedicated to social TV, often without any affiliation to right holders e.g.: YAHOO! INTO NOW, MISO, GETGLUE, VIGGLE</td>
<td>• You can synchronize the experience with the TV content</td>
<td>• Entry is blocked until the user downloads the app, creates a personal account and finds the desired show</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exclusive content (i.e. Miso)</td>
<td>• No right holder moderation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Right holders do not have access to user profiles and statistics</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Right holders cannot use viewer loyalty tools (Getglue, Viggle)</td>
</tr>
<tr>
<td><strong>Dedicated, Specific</strong></td>
<td>Second-screen application or specific Website related to a show e.g.: PURPLE, YAP.TV, ACTV8</td>
<td>• Complete control of the experience</td>
<td>• The most expensive way to reach multitasking viewers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Under the banner of the show and/or broadcaster</td>
<td>• Entry is blocked until the user downloads the application and signs up</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exclusive content to enrich the televisual experience</td>
<td>• Quickly becomes obsolete at the end of the season</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ability to gather user information</td>
<td>• Right holders have to promote the app to viewers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Monetization of content</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ability to showcase show sponsors and advertisers</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contests</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Enhances TV content while the user waits for next episode</td>
<td></td>
</tr>
</tbody>
</table>
4. GROWTH PERSPECTIVES

a) 2007-2011 Highlights

2007
- Launch of Bee.TV (Tel-Aviv/Milan), one of the first social TV applications
- Launch of the first-generation iPhone

2008-2009
- 2008: release BuddyTV and GetGlue second-screen apps
- 2009: launch of TV Chatter and Fanvibe

2010
- Massachusetts Institute of Technology (MIT) chooses social TV as one of the top 10 emerging technologies
- Launch of the first-generation iPad
- Release of Miso, TunerFish, U-Verse Mobile, YapTV and Peel
- The French company Visiware breaks new ground with PlayAlong, the first application enabling viewers to interact while a show is airing, via the Internet, in real time
- The Watch with eBay application enables online shopping by surfacing items related to what the user is watching—from over 150,000 shows
- GetGlue gets a $6 million funding from Time Warner Investments

2011
- Yahoo buys the then 12-week old IntoNow for $25 million
- Launch of Rovi What’s on TV, Orange TVCheck (France and the United Kingdom–2012), TWC TV, Umami, TV Foundry, Viggle, TweetTV and Fanhattan
- The FOX network invests in Activ8
- CBS acquires Clicker
- Closure of Fanvibe and BeeTV
- Launch of Zeebox (United Kingdom) by BBC, the creator of iPlayer (BBC)
- The music-recognition app Shazam enters into social-media-fueled customer loyalty by launching Shazam for TV with over 100 partners, such as Pepsi, Procter and Gamble, Sony and Toyota. Shazam for TV was first available in the United States; France, the United Kingdom, Germany, Italy and Spain followed suit in October 2012.
b) Key moments of 2012

It goes without saying that 2012 has been the year of social TV. Social TV has constantly been beating and making new social media records in the wake of big televised events.

In January, the Super Bowl amassed 12.8 million comments across social networks during the game; last year, it only garnered 1.8 million—a 578% increase.

More recently, the 12.8 million social comments during the MTV Music Awards coupled with the 2.5 million comments during the National Democrat Convention made September 6, 2012 the most social day in the history of social TV, with 16.6 million identified comments in the United States, all shows combined.

Ad Age and Trendrr tracked a new record of over 350 million conversations and check-ins in the United States between January and June 2012. It is, for the month of June alone, a 681% increase from June 2011.

Other examples:

- August 5, 2012, 4.9 million social comments were generated when Usain Bolt won the 100m race at the London Olympics.

- In total, over 150 million Tweets were tracked during the London Olympics, which the organization committee is calling the first real social media Olympics.

- Shazam, which hit a milestone of 5 billion tags, all media combined, increased its partnerships with broadcasters to create dozens of customized interactive second-screen experiences for big televised events and large-scale, live social events, such as the Super Bowl, the Grammys, the Billboard Music Awards, the MTV Movie Awards, American Idol, WWE and the London Olympics 2012.
Canada also increased its second-screen activity in 2012:

- In 2011-2012, So You Think You Can Dance (CTV) was the show that generated the most buzz on Facebook, and Entertainment Tonight Canada was the most tweeted show during that same time frame according to Seevibes. CBC’s Heartland, episodes of which created the most buzz across social platforms, picked up the Best Drama Social TV Award in July 2012.

- CBC’s application dedicated to the show Canada’s Smartest Person was downloaded 30,000 times. Around 15,000 people then used the app while watching each episode of the series’ first season.

- GetGlue signs a first short-term, exclusive agreement with Shaw Media to enable Canadian viewers to share comments on the shows Top Chef Canada, Lost Girl and Real Housewives of Vancouver.

- During the NHL playoffs, CBC launched the second-screen app—for tablets and Xbox360 consoles—Hockey Night Playoff Pulse, which gives access to customized fan pools, polls and videos on key facts. CBC also invites hockey fans to upload pictures of their parties, costumes they wear and recipes they eat on game nights, or even pictures taken in their favourite restaurants and bars to watch the games in their area onto the social portal Pinterest.

- August 19, 2012 marks a historical moment for social TV in Quebec: #debatqc became the first Quebec hashtag to rank 1st in the Worldwide Trending Topics during the multichannel broadcast of the first debate in the Quebec election campaign. During the week of August 14th to August 20th, #debatqc was the 56th most popular hashtag on the microblogging platform.
c) Market outlook – Canada, the United States

As previously mentioned, there should be a strong increase in the use of second-screen apps due to an increase in PCD and connected TV sales in the next few years.

- In Canada, 35% of viewers have consulted online content related to the show they were watching, a 31% increase over last year. Veria said that CTAM Canada (Cable and Telecommunications Association for Marketing) estimated that around 12 million Canadians take part in social TV activities.

- Can social TV interactions help increase ratings? According to Nielsen, the answer is yes. Four weeks before the start of a new series, a 9% increase in social media buzz leads to a 1% increase in ratings. As the season goes on, the correlation gets weaker; a 14% increase at this point would be needed to attract 1% more viewers. The same is true two weeks before a show’s season finale. Social TV has thus been converted into a promotional tool for right holders: the more people talk about the content, the more chances the topic has to be trending and generate large viewership.

- Second-screen activity goes far beyond the use of utility apps. Already, in terms of transmedia, movies and shows can be enhanced with eBook content. NBC released the ebook *Grimm: The Essential Guide* for iPad, Nook and the new Kindle Fire before the second season premiere of its show Grimm so that viewers could get acquainted with exclusive content and have access to it while watching the show.

- Lastly, the second-screen market is not limited to television: Disney launched a division dedicated to the creation and marketing of applications for derivative content synchronized with the DVD (movie, concerts, etc.) Their second-screen app for the movie Tron Legacy was awarded a Steeve during the first annual Social TV Awards during the Social TV Summit in July 2012.

- As for Marvel (now a subsidiary of Disney), it has initiated a bold marketing strategy by launching, three months before the release of the Blu-ray version of the movie The Avengers, a second-screen app that would give access to usual behind-the-scenes content on a PCD while the movie is playing. Furthermore, additional games and information are put at the users’ disposal on a weekly basis up until the release of the Blu-ray.
d) A new ecosystem

Around the same time as first trials in the mid-2000s, the rise of start-ups dedicated to the production of second-screen apps between 2008 and 2010 and the consolidation of companies in this sector in 2011-2012, new expertise and a whole new industry have developed around the creation, marketing and promotion of second-screen activities.

This ecosystem is composed of:

- New divisions of broadcasters or studios dedicated to second-screen activity (NBC Digital Media, Disney Second Screen, CBC Digital Sales Team, CBS Interactive)
- New technologies (Technicolor Magic Ruby, TV Tune-In, Clipsync, Gracenote, Applicaster, Audible Magic)
- New developers of turn-key technologies (The TV App Agency Ltd., AlphaNetworks Turnkey Solutions, TV, Togic, Mobovivo, LVL Purple)
- New research programs dedicated to social TV (MIT Media Lab since 2009; British Telecom, Motorola Research, Microsoft Research)
- New production companies or affiliates specialized in second-screen content (Dome Productions, GameDay InterActive)
- New specialized publications (Lost Remote, SecondScreen Entertainment News, TechCrunch, Smart Media Platforms)
- New conferences and events dedicated to the phenomenon (Social TV World Summit, Apps World, 2nd Screen Summit NYC, Second Screen for Television: the New Interactivity)
- New consumer analysis firms on the social buzz surrounding television (Netbase, Bluefin Labs, Trendrr, Seevibes)
- New advertising networks (Second Screen Network, Adap.tv Advertising App Center)
- New investors (Google Ventures, Khosla, Kleiner Perkins, Intel Capital, RedPoint Ventures, Time Warner Investments)
- New programs to support the creation of content for second-screen apps (Samsung Free The TV Challenge– Second Screen Storytellers)
- New international alliances (The 2nd Screen Society)
5. CONCLUSION

a) Favourable conditions for growth in the second-screen sector

Second-screen activity is no marginal phenomenon. It has become a niche market in constant growth.

The rise of second-screen apps is in full force at a time when television is amidst a new growth cycle (in Canada as well as in other main international markets). The 2012 edition of the CRTC Communications Monitoring Report revealed that an increase in television services offered to Canadians—702 to be exact—contributed to a 30 minute weekly increase in terms of hours spent watching television in 2011. Also, “in 2011, the broadcasting industry contributed $3.1 billion to the creation and promotion of Canadian programming, an increase of $132 million from the previous year.”

Another testimony to the growing popularity of television in Canada is the fact that, in 2011, 11.8 million Canadians subscribed to basic television services, an increase of 2.2% over 2010.

Furthermore, according to the CTRC, 78% of the 13.4 million households in Canada had an Internet subscription and the number of Canadians subscribing to wireless services grew to 27.4 million, a 6% increase.

The second-screen market is strategically placed for industrial, short-term development. The maturity of app development for mobile and connected TV combined with the update of real-time content recognition (audio content recognition, check-in, TVSync, etc.) and the marked interest of investors and advertisers for social media already is conducive to the increase in strategic partnerships. All this places main screen content at the heart of an enhanced environment dedicated to second-screen interactions, and this, as soon as they are released.
b) Second-screen apps: a key market for all players in the value chain

According to the British company Informa Telecoms & Media, all players across the value chain should capitalize on PCDs in order to offer TV viewers an experience that incorporates, rather than compete with, their unique features.

It goes without saying that there is no second-screen app, regardless of performance, user-friendliness or innovative nature, that can be adopted by a large number of users if it is not associated with high-quality content. The future of the second screen therefore largely depends on right holders’ ability to create original main screen content that will spur the production of rich second-screen content that will keep viewers hooked.

For each player across the audiovisual value chain, the issues are huge: protecting their assets, improving their service offerings and generating new streams of revenue.

- For creators: the second screen paves the way for new types of transmedia that are capitalizing on PCD features
- For producers: the second-screen facilitates the creation of new types of content and enriches the relationship with loyal or potential fans before and after the completion of a show
- For app developers: the second screen enables them to extend their activity to the TV market
- For social media: the second-screen brings more traffic to their site, enables them to develop new partnerships with app developers and entice viewers who were not yet fans to adopt their services
- For broadcasters: the second screen increases the engagement of their established and potential clientele surrounding their concepts, brands and shows. Furthermore, a broadcaster could crowdsource (Push to Air) by displaying the most pertinent comments (via, for example, a Twitter feed scrolling across the bottom of the screen).
- For advertisers: Second-screen facilitates the tracking of more precise traffic and interactivity data, which results in a better evaluation of a content’s ad value. According to Chris Harris, head of online content at Shaw Media, the second-screen app craze (mainly in regards to social TV) is gathering people, far and wide, around a TV screen during the first viewing of a show, which would thus increase its ad value.
c) From innovation to profit

For a second-screen strategy to reach as many PDC owners as possible, producers and broadcasters do not have any other choice but to invest substantial amounts of money on the spread of compatible second-screen apps on all the smartphone and digital tablet operating systems (iOS, Android, BlackBerry, Windows7).

The profitability challenge is now more than ever an issue that will require the creation of new revenue streams, especially since most second-screen apps are offered to viewers for free, unlike most other apps for PDCs.

Paul Lee, director of technology, media and telecommunications at Deloitte, believes that there still is a long way to go before second-screen apps can generate substantial profit:

“The challenge for second screen content today is that it is likely to be relatively expensive as we are still in an experimental, bespoke phase. Every pound spent on second screen content may be a pound diverted from the first screen. [...] The more standardised second screen content creation becomes, the easier it should be to attain a positive return on investment.”

The second report of the Second Screen and Television series, published by Evolumedia Group in collaboration with the Canada Media Fund and SODEC, will be built around the crucial issue of monetization models.

The third and last report, scheduled for release in the first quarter of 2013, will explore the following topics: leaders, emerging technologies and development prospects.
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This first installment of a three-part series on the second-screen phenomenon for TV viewing ties into Evolumedia Group's aim to offer media professionals pertinent and accessible information on a sector in constant evolution. In that sense, this report is a perfect complement to the other products offered by Evolumedia—e.g. the ABCs of Connected TV or the conference Second Screen for TV: the New Interactivity.

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Enjoy your reading,

Gilbert Ouellette
President
Evolumédia Group

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